

## Analysis of the Impact of Human Resources Management, Intellectual Capital, Organizational Entrepreneurship on Organizational Performance

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### Abstract

**Purpose:** Purpose of this study is Analysis of the Impact of Human Resources Management, Intellectual Capital, Organizational Entrepreneurship on Organizational Performance. The statistical population of this study is employees of a government university of Kermanshah Province. This study is descriptive-survey type of correlation research. **Methodology:** For data collection, the Standard questionnaires was used. in this field. To review the validity of the questionnaires was used content validity and on the other side of convergent validity, this illustrates the fact that the validity of the questionnaires is suitable. Reliability of the questionnaires was calculated with The Cronbach's alpha coefficient for the questionnaires was examined (0.86, 0.80, 0.87 and 0.70) respectively. **Findings:** The results of testing hypotheses by SMART-PLS software and using the t-test statistics and path coefficients (=), showed that a Human resource management has strong, strong, moderate, and significant impact on intellectual capital, organizational entrepreneurship and organizational performance, respectively. The results indicate that intellectual capital has moderate, weak, and significant impact on organizational entrepreneurship and organizational performance, respectively. Finally, organizational entrepreneurship has a strong and significant impact on organizational performance. **Discussion:** University studied must pay attention to human resource management and intellectual capital and organizational entrepreneurship to achieve good organizational performance.

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## 1. Introduction

Human resource management implies the responsibility of managers to equip an organization with capable employees, and to ensure the desirability of employing their talent. Manpower, the most expensive source of the organization, is to boost talent, and continuous achievement of superior performance. The intersection hypothesis of human resource management practices is that employees are the main sources of organization, and organizational performance depends heavily on their work. Therefore, if a proper range of human resources policies and processes are formulated, ultimately human resources will have a fundamental effect on organizational performance (Armstrong, 2009).

On the other hand, we are entering the knowledge-based economy, in the knowledge-based economy, intellectual capital, and especially human capital, are among the most important assets of the organization, and their success is rooted in the capabilities They have a thought. With the growth of knowledge-based economics, we see clearly that, the intangible assets of organizations, Anderson (2006), which human resource management plays in its formation, is, in contrast to its evident assets, a more important factor in maintaining and realize their sustainable competitive advantage. As intellectual capital is the main source of economic development, and other traditional factors, production, such as land, labor, and financial capital, is at stake next. In such a situation, intellectual capital is known as the strategic asset of organizational performance (Farmahini Farahani et al., 2005).

Scholar and Jackson (2005). Because intellectual capital is central to the firm's sustained success, and as a strategic asset of well-known organizational performance, its creation, aggregation and re-creation should be of major concern to senior executives, especially resource managers The person who is responsible for the performance of the staff. Because human resource management plays a key role in facilitating the participation of talented people in a highly competitive environment. However, today the world faces a wide range of environmental changes, in which the success of organizations depends on the coordination and compatibility with such an environment. Which can continue to work while preserving the situation, and this itself requires that human resources can be creative and innovative, and human resource management can be the bedrock of this massive move. In other words, human resource management can, on the other hand, create the necessary mechanisms for creating innovation; can bring the ideas presented to the concept of entrepreneurship (Seyed Taghivi and Pour Barkhordari, 2012). Because HRM is said to help improve the concept of entrepreneurship at the organization level (Zhang et al., 2008).

## 2. Literature review

Considering the importance of human resource management, organizational entrepreneurship and intellectual capital, on the efficiency and competitive advantages of the organization, and their potential ability to enhance the organization's performance, and given the purpose of this research, analysis the impact of HRM, organizational entrepreneurship and intellectual capital on the performance of the organization. Therefore, researchers are seeking to answer the question of whether human resource management, organizational entrepreneurship and intellectual capital effect on the organization's performance. Or no. It can be said that there are many researches about the variables of research that are referred to below to some of them: Sarboland et al (2017); Akbari et al (2013); Naghavi & Koushki Jahromi (2014); ziari et al. (2014) and Youndt and Snel (2004) investigated the effect of studying the Human Resources Management on Intellectual Capital. The first hypothesis is written thus: The First hypothesis. Human resource management has an impact on intellectual capital.

Ayar et al (2016); Rouholamini (2015) and Danaei & Normohammadi (2013), Investigated the effect of studying the intellectual capital on organizational entrepreneurship. The second hypothesis is written thus: The second hypothesis. Intellectual capital has an impact on organizational entrepreneurship. Yazdi

Moghaddam, et al (2015); Fox (2005) and Torabipour (2014), Investigated the effect of studying the Organizational entrepreneurship on organizational performance. The third hypothesis is written thus: The third hypothesis. Organizational entrepreneurship has an impact on organizational performance. Obasan (2014); Montoro-Sanchez and Ribeiro Soriano (2011) and Dabic and Romero-Martínez, a.M (2011), Investigated the effect of studying the Human resource management on organizational entrepreneurship. The fourth hypothesis is written thus: The fourth hypothesis. Human resource management has an impact on organizational entrepreneurship. Akbari et al (2013); Youndt and Snel (2004), Investigated the effect of studying the Human resource management on organizational performance. The fifth hypothesis is written thus: The fifth hypothesis. Human resource management has an impact on organizational performance.

Akbari et al (2013); Youndt and Snel (2004), Investigated the effect of studying the Intellectual capital on organizational performance. The Sixth hypothesis is written thus: The Sixth hypothesis. Intellectual capital has an impact on organizational performance. According to the research variables, Conceptual Model of Research are as follows:

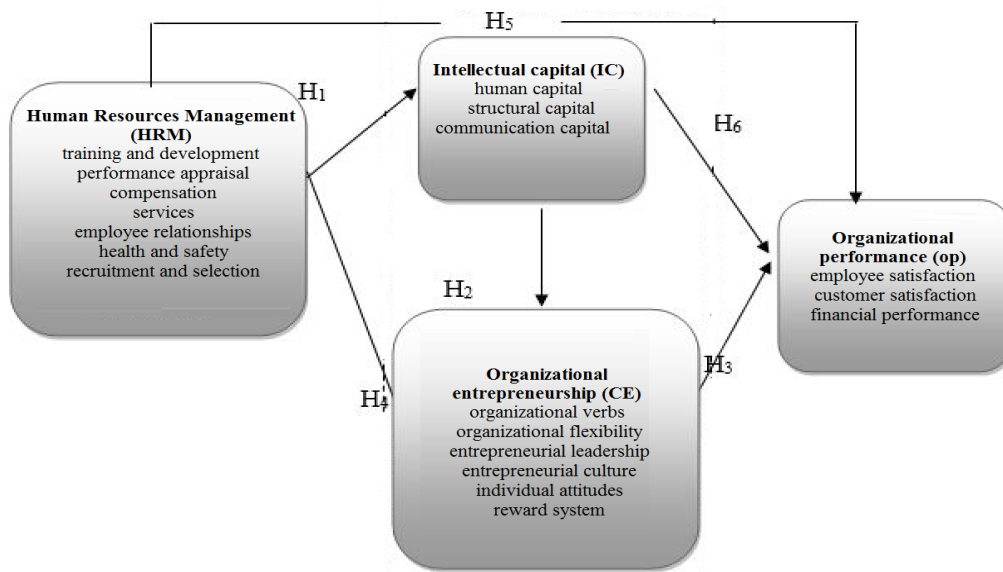


Fig 1. Conceptual Model of Research

### 3. Methodology

The purpose of this research is applied research, and in terms of data collection, descriptive-survey is a correlation type. The statistical population of the study consisted of all employees (470) of Payame Noor University of Kermanshah. 212 subjects were selected through simple random sampling formula from the 14 questions questionnaire, Yang and lin (2009), Bontis 20 questions questionnaire (2002), Hill 60 questions questionnaire (2003), and Questionnaire 29 questions by Baharestan et al. (2012) has been used to measure human resource management, intellectual capital, organizational entrepreneurship, and organizational performance. The validity of the instrument was measured using content validity index (using three faculty members), and convergent validity convergent validity (average variance of output (AVE) greater than 0.05) was measured. The results of the SMART-PLS output show that the variables with an AVE are above the 0.5-index criterion, so it is concluded that the components can explain enough variance of the research model variables, therefore, the instrument of measurement has a good validity. The reliability of the questionnaire, with the Cronbach's alpha coefficient, also showed that all factors have a coefficient of above 0.7 and have a good fit. The results are presented in Table (1).

**Table 1.** Convergent validity and reliability of measuring instruments

Cronbach's alpha reliability coefficient	Composite reliability coefficient	Factor loads		Extracted variance (AVE)	Research variables
		T test	Path coefficient		
0/86	0/89	-	-	0/59	<b>Human Resource Management (HRM)</b>
-	-	33/24	0/82	-	Training and development
-	-	13/10	0/69	-	performance evaluation
-	-	17/75	0/74	-	Compensation service
-	-	35/62	0/81	-	Relations with employees
-	-	28/44	0/79	-	Health and safety
-	-	16/70	0/74	-	Hiring and choosing
0/80	0/88	-	-	0/72	<b>Intellectual Capital (IC)</b>
-	-	40/79	0/83	-	Human Capital
-	-	47/30	0/86	-	Structural capital
-	-	44/68	0/86	-	Communication capital
0/87	0/90	-	-	0/60	<b>Enterprise Entrepreneurship (CE)</b>
-	-	30/99	0/78	-	Organizational verbs
-	-	32/45	0/82	-	Organizational flexibility
-	-	29/37	0/77	-	Entrepreneurial leadership
-	-	16/96	0/73	-	Entrepreneurial culture
-	-	12/50	0/72	-	Individual attitude
-	-	33/83	0/83	-	Reward system
0/70	0/82	-	-	0/61	<b>Organizational Performance (OP)</b>
-	-	14/64	0/69	-	Customer Satisfaction
-	-	19/16	0/79	-	Financial performance
-	-	41/34	0/85	-	Mean Coefficient

**Table 2.** Solidarity matrix, and divergent narrative review

Raver ((AVE	Organizational Performance (OP)	Intellectual Capital (IC)	Human Resource Management (HRM)	Enterprise Entrepreneurship (CE)	variable
0/77				1	<b>Enterprise Entrepreneurship (CE)</b>
0/77			1	0/90	<b>Human Resource Management (HRM)</b>
0/84		1	0/87	0/86	<b>Intellectual Capital (IC)</b>
0/78	1	0/81	0/83	0/81	<b>Organizational Performance (OP)</b>

## 4. Findings

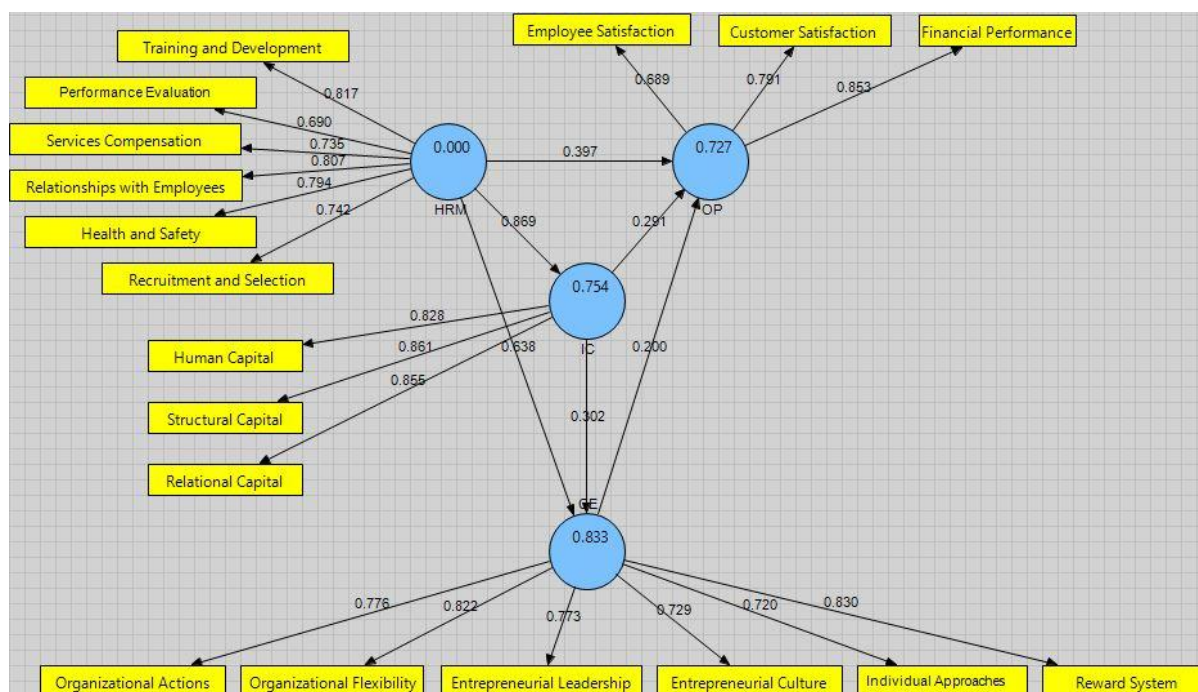


Fig2. Model path coefficients

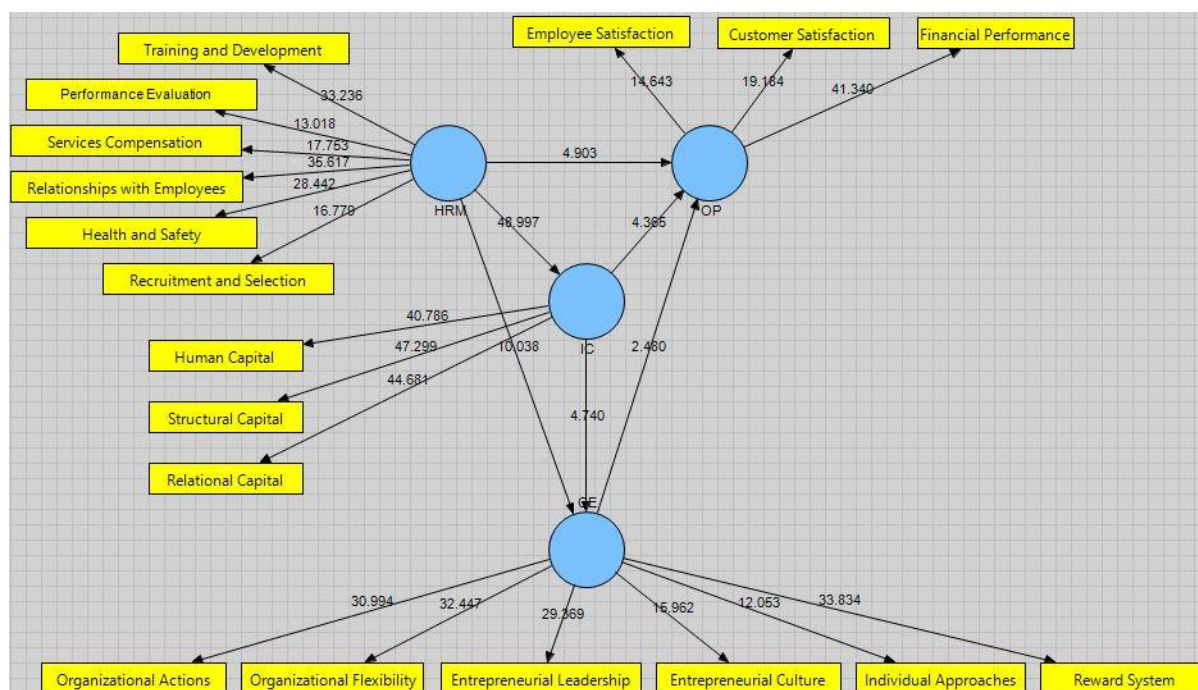


Fig 3. T test results

It should be noted that the value of  $t$  (T-value) or the significance of the effect of the variables is shown. If the value of  $t$  is greater than 1.96, that is, there is a positive effect, and it is significant. If it ranges from 1.96 to 1.96, then there is no effect, and if it is less than 1.96, it has a negative effect, but it is significant. As well as the path coefficients, if it is above 0.6, it means that there is a strong correlation between the two variables, if they are between 0.3 and 0.6, are moderate, and if they are less than 0.3, there is a weak relationship (Chen, 2003). Data obtained from field research were implemented in PLS-SMART software, and according to Figures 2 and 3, the results were obtained. The analysis of each of the relationships, which in fact represents the research hypotheses, is shown in a useful and concise manner in Table (3).

**Table 3.** Summary of assumptions test results

Impact rate	Significance level	T test value	Path coefficient	Variables
Strong	Meaningful	48/59	0/87	Human Resources Management → Intellectual Capital
Average	Meaningful	5/15	0/30	Intellectual Capital → Organizational Entrepreneurship
weak	Meaningful	2/11	0/20	Organizational Entrepreneurship → Organizational Performance
Strong	Meaningful	10/82	0/64	Organizational Entrepreneurship → Human Resource Management
Average	Meaningful	4/16	0/40	Human Resource Management → Organizational Performance
weak	Meaningful	3/87	0/29	Intellectual Capital → Organizational Performance

According to Table (3), which is based on the results of the test of research hypotheses, it can be stated that: The result of testing the first hypothesis, with the coefficient of path 0.87, and the value of  $T$  48/59, shows that human resource management has a significant and significant impact on intellectual capital. In the second hypothesis test, with a path coefficient of 30 and a value of 15.5, it was concluded that intellectual capital had a significant and moderate effect on organizational entrepreneurship. The results of the third hypothesis test, with a path coefficient of 0/20 and a value of  $T$  2/11, show that organizational entrepreneurship has a significant and moderate effect on organizational performance. The results of the fourth hypothesis test, with a coefficient of 0.44 and a value of 10.82, indicate that human resource management has a significant and moderate effect on organizational entrepreneurship. The results of the fifth hypothesis test, with a coefficient of 0.41 and a value of 4.16, indicate that human resource management has a significant and moderate effect on organizational performance. The results of the sixth hypothesis test, with a coefficient of 0.92 and a value of 3.87, indicate that intellectual capital has a significant and moderate effect on organizational performance.

In the PLS models, two models are tested. The external model, which is the equivalent of the measurement or measurement model, and the internal model, is similar to the structural model in other software (LISREL, EQS and AMOS). The external model (measurement) is a model that identifies the relationship between the variables, with explicit and observed variables. In order to fit this model, the feed-validation index (index) is used to examine the fit of the model of measuring a "variable" block. Also, the internal model is a model that identifies the relationship between the variables and, for the structural model's fitness, the dispersion or redundancy index (Aston-Gyser coefficient  $Q^2$ ), which is the index of this, is a marker of the variables. The intrinsic ( $R^2$ ) prediction has been used. If these two indicators (positive bond scoring index, index and redundancy index) are positive, it indicates the proper quality of the structural model. However, as can be seen in Table 5, the subscription and discharging index are positive, which indicates the quality of the model. The value of  $R^2$ , which represents the model's ability to describe the structure, is for intellectual capital, organizational entrepreneurship, and organizational performance is

respectively 0.75, 0.83, and 0.73, respectively. The results obtained below indicate that the proposed model has an appropriate fit.

**Table 4.** Model fitting

R <sup>2</sup>	Structural model	Measurement model	Variable
	Bush index	Subscription index	
-	0/41	0/41	Human resources management
0/75	0/52	0/42	Intellectual Capital
0/83	0/48	0/45	Enterprise Entrepreneurship
0/73	0/42	0/24	Organizational Performance

## 5. Discussion

The purpose of this research was to answer the question of whether human resource management, organizational entrepreneurship, and intellectual capital affect organizational performance. The results of the first hypothesis of the research indicate that HRM affects intellectual capital. Therefore, Human resource management in the organization has the most important role to play in building and upgrading the capabilities and capabilities of the staff. And today, many organizations around the world have found that measuring and managing intellectual capital can provide them with competitive advantages. Therefore, the results of this hypothesis have been carried out in line with the research of Sarboland et al (2017); Akbari et al (2013); Naghavi & Koushki Jahromi (2014); ziari et al. (2014) and Youndt and Snel (2004). In the second hypothesis, the result was that intellectual capital affects organizational entrepreneurship. Therefore, it is suggested that the Managers provide learning opportunities for employees through short courses, And Provide information to the staff of the organization and Pay more for transparency in the organization; and to emphasize the empowerment of employees on the independence of action and the freedom of employees and the right to decide. The results of this hypothesis are in line with Safari et al. Ayar et al (2016); Rouholamini (2015) and Danaei & Normohammadi (2013). In the third hypothesis, it was concluded that organizational entrepreneurship affects organizational performance. Therefore, in order to be able to increase its performance, Imani-Pour and Zivdar (2008) must pay attention to organizational entrepreneurship, as the results of this hypothesis, in line with the results of research by Yazdi Moghaddam, et al (2015); Fox (2005) and Torabipour (2014), Is. The fourth hypothesis was that human resource management has an impact on organizational entrepreneurship. Therefore, for good organizational entrepreneurship, Kia Kajuri and Jafarian (2012), HRM in the organization should be used effectively. The results of this hypothesis are also consistent with the research conducted by Obasan (2014); Montoro-Sanchez and Ribeiro Soriano (2011) and Dabic and Romero-Martí 'neZ, A.M (2011). The fifth hypothesis, the result was that HRM affects organizational performance. Uysal and Koca (2009) argued that people who work for an organization are one of their main assets and one of the main factors in determining its performance. Therefore, it must be managed by a good human resource management, in other words, increase human resources, employee productivity, work orientation, commitment to the goal through actions such as employment, training, performance evaluation, service compensation, and promotion. Thus affecting the organization's performance. The results of this hypothesis are consistent with the research conducted by Akbari et al (2013); Youndt and Snel (2004). The sixth hypothesis, the result was that intellectual capital affects organizational performance. Therefore, any organization must pay attention to intellectual capital in order to achieve good organizational performance, Hoseinpour and Azar (2011). The results of this hypothesis are also consistent with the research carried out by Akbari et al (2013); Youndt and Snel (2004).

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